



RESOLUTION

EXPRESSING SUPPORT FOR STATE LEGISLATION THAT WOULD AUTHORIZE COUNTY POLICE DEPARTMENTS TO ENABLE THE ELECTRONIC RECORDING AND TRANSFER OF PAWNBROKER AND SECONDHAND DEALER TRANSACTION INFORMATION.

WHEREAS, pawnbrokers and secondhand dealers provide a needed community service for individuals who may prefer to purchase used goods at a lower cost or who are in need of funds but do not necessarily qualify for conventional loans offered by financial institutions; and

WHEREAS, however, the activities of such businesses may provide opportunities for persons committing a crime to conceal and profit from that crime by using such establishments to receive and transfer stolen property quickly and easily; and

WHEREAS, the Honolulu Police Department (HPD) reports that in 2012, approximately \$11 million of jewelry and precious metals were stolen, while only 2.7 percent or approximately \$297,012 worth of such stolen goods were recovered; and

WHEREAS, currently, pawnbrokers and secondhand dealers in the City are regulated by state law and county ordinance — Hawaii Revised Statutes (HRS) Chapter 445, Part V, and Chapter 486M are the underlying state authorizations for the counties to monitor and regulate pawn transactions and secondhand dealers and Revised Ordinances of Honolulu Chapter 41, Article 35, governs the licensure of secondhand dealers; and

WHEREAS, HRS Section 486M-2 requires pawnbrokers and secondhand dealers, upon the receipt of any previously owned article, to record certain transaction information and submit the information to the Chief of Police; and

WHEREAS, Bill 51 (2013) and Bill 52 (2013), which propose to strengthen City ordinance relating to the regulation of secondhand dealers and pawnbrokers, are currently being considered by the Council; and

WHEREAS, at the meeting of the Committee on Public Safety and Economic Development on October 3, 2013, at which the foregoing bills were considered, a representative of the HPD stated that HPD receives approximately 10,000 handwritten transaction slips per month from the 223 licensed pawn shops and secondhand dealers on Oahu; and



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WHEREAS, the representative of HPD also testified that all received information must be manually entered into the HPD records system, and it is no longer possible or feasible for HPD to keep up with the volume of information received; and

WHEREAS, the provision of transaction records in electronic form would greatly facilitate the entry and distribution of pawnbroker and secondhand dealer transaction data; and

WHEREAS, the maintenance of an electronic pawnbroker and secondhand dealer transaction database would also likely result in greater efficiencies in searches for stolen property and the identification of career property criminals; and

WHEREAS, the pawnbrokers industry has identified concerns and advocates that changes to the existing laws regarding the electronic recording and transfer of pawnbroker and secondhand dealer transaction information include: 1) exemptions for certain pawnbrokers and secondhand dealers, who are in business at that time the existing law is amended, from the electronic filing requirements; 2) limitations on the type and scope of information required to be submitted by sellers in order to protect the privacy of sellers; and 3) affordable software options and ensure that the cost of maintenance of the software is affordable; and

WHEREAS, written testimonies submitted by pawnbroker and HPD representatives at the October 3, 2013 Committee on Public Safety and Economic Development meeting noted that the scope of the electronic recording requirement in Bills 51 (2013) and 52 (2013) might exceed the county's authority under state law; and

WHEREAS, to avoid possible conflicts with state law, the Council finds that state statutes should be amended to authorize counties to record and transfer pawnbroker and secondhand dealer transaction information in electronic form; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that it supports state legislation that would authorize county police departments to regulate and implement the electronic recording and transfer of pawnbroker and secondhand dealer transaction information; and



CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

No. 13-258, CD1

RESOLUTION

BE IT FINALLY RESOLVED that copies of this Resolution be transmitted to the Speaker of the State House of Representatives, the Senate President, and the Honolulu Chief of Police.

INTRODUCED BY:

Carol Fukunaga

DATE OF INTRODUCTION:

October 22, 2013

Honolulu, Hawaii

Councilmembers

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII
C E R T I F I C A T E

RESOLUTION 13-258, CD1

Introduced: 10/22/13 By: CAROL FUKUNAGA

Committee: PUBLIC SAFETY AND
ECONOMIC
DEVELOPMENT

Title: RESOLUTION EXPRESSING SUPPORT FOR STATE LEGISLATION THAT WOULD AUTHORIZE COUNTY
POLICE DEPARTMENTS TO ENABLE THE ELECTRONIC RECORDING AND TRANSFER OF PAWNBROKER
AND SECONDHAND DEALER TRANSACTION INFORMATION.

Voting Legend: * = Aye w/Reservations

10/29/13	PUBLIC SAFETY AND ECONOMIC DEVELOPMENT	CR-320 – RESOLUTION REPORTED OUT OF COMMITTEE FOR ADOPTION AS AMENDED IN CD1 FORM.
11/13/13	COUNCIL	CR-320 AND RESOLUTION 13-258, CD1 WERE ADOPTED. 9 AYES: ANDERSON, CHANG, FUKUNAGA, HARIMOTO, KOBAYASHI, MANAHAN, MARTIN, MENOR, PINE.

I hereby certify that the above is a true record of action by the Council of the City and County of Honolulu on this RESOLUTION.


BERNICE K. N. MAU, CITY CLERK


ERNEST Y. MARTIN, CHAIR AND PRESIDING OFFICER